

February 23, 2015

Media Release on Financial Year 2014

Annual Result 2014

- Holcim Leadership Journey contributes CHF 748 million to operating profit in 2014; significantly exceeds overall target with total benefits of CHF 1.85 billion
- Improvement in like-for-like net sales and operating profit and in net income
- Cement volumes increase thanks to North America, Asia Pacific, and Africa Middle East
- Currency effects continue to impact Group's financial performance
- Payout of CHF 1.30 per registered share

Fourth Quarter 2014

- Higher net sales and improved operating profit
- Like-for-like operating profit adjusted for merger and restructuring costs increases 19.2 percent
- Significant increase in net income

Outlook for 2015

- Like-for-like operating profit adjusted for merger-related costs between CHF 2.7 billion and 2.9 billion (on a stand-alone basis and unconnected to the proposed merger with Lafarge)
- Cement volumes to increase in all Group regions in 2015 with the exception of Europe
- Aggregates and ready-mix concrete volumes to increase

CEO Bernard Fontana: "Holcim achieved solid like-for-like performance in the financial year with a strong fourth quarter. The Group further increased its profitability and recorded a higher operating profit margin. The Holcim Leadership Journey significantly overachieved its targets and was a key contributor to the Group's results building on an increased focus on customer excellence and ongoing cost discipline."

Group		Jan-Dec 2014	Jan-Dec 2013	±%	±% like-for-like
Sales of cement	million t	140.3	138.9	+1.0	+1.4
Sales of aggregates	million t	153.1	154.5	-0.9	-0.4
Sales of ready-mix concrete	million m ³	37.0	39.5	-6.3	-4.9
Sales of asphalt	million t	10.0	8.9	+12.4	+12.8
Net sales	million CHF	19,110	19,719	-3.1	+3.0
Operating EBITDA	million CHF	3,747	3,896	-3.8	+2.0
Operating EBITDA adjusted ¹	million CHF	3,885	3,896	-0.3	+5.5
Operating profit	million CHF	2,317	2,357	-1.7	+4.2
Operating profit adjusted ²	million CHF	2,466	2,357	+4.6	+10.6
Net Income	million CHF	1,619	1,596	+1.5	
Net Income - shareholders of Holcim Ltd	million CHF	1,287	1,272	+1.2	
Cash flow from operating activities	million CHF	2,498	2,787	-10.3	-6.4

¹ Excluding merger and restructuring costs of CHF 138 million in 2014.

² Excluding merger and restructuring costs of CHF 149 million in 2014.

Group		Oct-Dec 2014	Oct-Dec 2013	±%	±% like-for-like
Sales of cement	million t	34.4	34.6	-0.6	-0.6
Sales of aggregates	million t	39.4	39.7	-0.7	-0.5
Sales of ready-mix concrete	million m ³	9.2	10.0	-8.0	-7.1
Sales of asphalt	million t	2.6	2.6	+2.8	+2.8
Net sales	million CHF	4,867	4,778	+1.9	+1.9
Operating EBITDA	million CHF	1,006	945	+6.5	+5.9
Operating EBITDA adjusted ¹	million CHF	1,062	945	+12.4	+11.8
Operating profit	million CHF	598	559	+6.9	+8.9
Operating profit adjusted ²	million CHF	656	559	+17.2	+19.2
Net Income	million CHF	458	319	+43.5	
Net Income - shareholders of Holcim Ltd	million CHF	355	233	+52.5	
Cash flow from operating activities	million CHF	1,451	1,615	-10.1	-8.1

¹ Excluding merger and restructuring costs of CHF 56 million in 2014.

² Excluding merger and restructuring costs of CHF 58 million in 2014.

Sales volumes

In the financial year 2014, cement volumes exceeded the previous year's level, backed by a stronger economy in North America and growth momentum in some emerging markets such as India, the Philippines, Indonesia, and Mexico offsetting a challenging situation in Latin America. Consolidated cement sales were up 1.0 percent to 140 million tonnes, a like-for-like increase of 1.4 percent.

Aggregates volumes were slightly below 2013 levels and decreased by 0.9 percent to 153 million tonnes in the year under review mainly attributable to the segment's restructuring in Latin America during 2013 and lower demand in France. Group region North America recorded a significant increase in aggregates volumes. On a like-for-like basis, the decrease for the Group amounted to 0.4 percent.

Ready-mix concrete deliveries declined by 6.3 percent to 37 million cubic meters primarily as a result of restructuring initiatives implemented in Latin America in

2013 to refocus the segment. With the exception of North America, which posted moderate growth, all Group regions contributed to this negative development. Adjusted for changes in Group structure, the drop amounted to 4.9 percent. Asphalt volumes increased 12.4 percent to 10 million tonnes.

Financial results

Holcim increased net sales by 3.0 percent on a like-for-like basis. Growth mostly resulted from price improvements in many regions, particularly in North America, against the backdrop of a favorable market environment and in Latin America in response to cost inflation. An unfavorable currency effect of 5.2 percent and negative changes in consolidation structure impacted the consolidated net sales performance in 2014 which was down 3.1 percent to CHF 19,110 million.

Like-for-like operating EBITDA adjusted for merger and restructuring costs of CHF 138 million increased by CHF 215 million or 5.5 percent in 2014. Consolidated operating EBITDA however was down 3.8 percent to CHF 3,747 million mainly as a result of negative currency effects and merger and restructuring related costs.

In 2014, operating profit adjusted for merger and restructuring costs of CHF 149 million went up by CHF 249 million or 10.6 percent on a like-for-like basis. Consolidated operating profit however was down 1.7 percent in 2014, at CHF 2,317 million. The currency-related effect impacted operating profit by CHF 147 million or 6.2 percent.

In the year under review, the Group's operating profit margin increased by 0.2 percentage points to 12.1 percent. Adjusted for merger and restructuring costs booked in 2014, the operating profit margin progressed by 0.9 percentage points on a like-for-like basis. This margin improvement was mostly driven by higher prices underpinned by favorable volume development.

Net income increased 1.5 percent to CHF 1,619 million and net income attributable to shareholders of Holcim Ltd was up 1.2 percent to CHF 1,287 million.

Cash flow from operating activities was down CHF 288 million to CHF 2,498 million. Over the last twelve months the net financial debt of the Group was CHF 9,644 million, CHF 183 million up from CHF 9,461 million mainly due to an unfavorable currency impact of CHF 250 million.

Fourth quarter

In the fourth quarter of 2014, cement volumes decreased slightly by 0.6 percent to 34.4 million tonnes. Deliveries of aggregates were also down slightly by 0.7 percent to 39.4 million tonnes. Ready-mix concrete volumes contracted by 8.0 percent to 9.2 million cubic meters.

Fourth quarter consolidated net sales increased year-on-year by 1.9 percent to CHF 4,867 million. Operating EBITDA reached CHF 1,006 million, up 6.5 percent year-on-year. Adjusted for merger and restructuring costs booked in the quarter of CHF 56 million, like-for-like operating EBITDA growth reached CHF 111 million or

11.8 percent. Operating profit increased by 6.9 percent to CHF 598 million. Excluding merger and restructuring costs of CHF 58 million, operating profit growth reached CHF 108 million or 19.2 percent on a like-for-like basis. Net income was up markedly by 43.5 percent to CHF 458 million.

Holcim Leadership Journey

The Holcim Leadership Journey significantly overachieved its target and was a key contributor to the Group's successful development thanks to the contributions of Holcim teams worldwide. Total realized benefits reached CHF 1.848 billion by the end of 2014, with cost initiatives contributing CHF 1.434 billion and Customer Excellence CHF 414 million. When launching the Holcim Leadership Journey, the Group committed to the target of a contribution to operating profit of CHF 1.5 billion by the end of 2014, compared to the base year 2011 and under similar market conditions. In 2014, the contribution of the Holcim Leadership Journey to the Group's operating performance amounted to CHF 748 million.

Successful portfolio optimization

Holcim and Cemex successfully closed their series of transactions in Europe early in 2015. Holcim acquired Cemex's operations in Western Germany and the Netherlands while Cemex took over Holcim Czech Republic with all its subsidiaries in the country. In Spain, Cemex purchased Holcim's Gador cement plant and Yeles grinding station, while Holcim has kept its remaining operations. As a result of the transactions, Cemex paid Holcim EUR 45 million in cash. Holcim expects sustainable additional operating EBITDA of at least EUR 10 million on a yearly basis.

Holcim regularly reviews its portfolio and has decided that the Group's non-controlling interest of 27.5 percent in its joint venture Siam City Cement Public Company Limited is available for sale.

Creation of LafargeHolcim

Holcim and Lafarge have continued to reach further important milestones on the path to creating the most advanced group in the building materials industry and remain on track to complete their merger in the first half of 2015.

In December 2014, Holcim and Lafarge received clearance from the European Commission for their proposed merger following constructive discussions with the Commission in the pre-notification period and throughout its Phase I investigation. Also in December 2014, both companies announced the future Executive Committee of the new Group. Holcim and Lafarge announced in early February 2015 that they have entered into exclusive negotiations further to a binding commitment made by CRH regarding the sale of several assets which had been identified previously and include operations in Europe, Canada, Brazil, and the Philippines.

Revised definition of Senior Management

Effective January 1, 2015, Senior Management is composed of the members of the Executive Committee of Holcim Ltd.

Proposals to the Annual General Meeting - payout

The Group is adhering to its principle that one-third of net income attributable to shareholders of Holcim Ltd should be distributed to shareholders. At the Annual General Meeting, which is scheduled for April 13, 2015, the Board of Directors will propose a payout from the capital contribution reserves corresponding to CHF 1.30 per registered share.

Outlook for 2015

Holcim expects for 2015 that the global economy continues its gradual recovery. Key construction markets of Holcim in countries like the USA, India, Indonesia, Mexico, Colombia, the UK, and the Philippines are expected to be the main growth drivers.

Europe overall should have a flat development. Latin America will continue to face uncertainties in countries such as Argentina and Brazil but should overall show slight growth in 2015. The Asia Pacific region is expected to grow although at a still modest pace. Africa Middle East is expected gradually to improve.

In this environment cement volumes should increase in all Group regions in 2015 with the exception of Europe. Aggregate and ready-mix concrete volumes are expected to increase.

On a stand-alone basis and unconnected to the proposed merger with Lafarge, the Board of Directors and Executive Committee of Holcim expect like-for-like operating profit adjusted for merger-related costs to be between CHF 2.7 billion and 2.9 billion in 2015. Higher pricing and ongoing cost savings are anticipated to offset cost inflation, leading to a further expansion in operating margins in 2015.

Key figures per Group region

Asia Pacific benefits from rebound in India

Full year 2014		Jan–Dec 2014	Jan–Dec 2013	±%	±% like-for-like
Sales of cement	million t	71.2	70.3	+1.4	+2.0
Sales of aggregates	million t	24.8	25.2	-1.5	-1.5
Sales of ready-mix concrete	million m ³	10.8	10.9	-0.8	-0.6
Net sales	million CHF	6,970	7,282	-4.3	+3.8
Operating profit	million CHF	934	1,030	-9.4	-1.7

Fourth quarter 2014		Oct-Dec 2014	Oct-Dec 2013	±%	±% like-for-like
Sales of cement	million t	17.5	17.5	+0.1	+0.1
Sales of aggregates	million t	6.2	6.4	-2.8	-2.8
Sales of ready-mix concrete	million m ³	2.8	2.9	-1.3	-1.3
Net sales	million CHF	1,764	1,679	+5.1	+2.4
Operating profit	million CHF	232	229	+1.1	-1.1

Latin America resists headwinds while Mexico recovers

Full year 2014		Jan–Dec 2014	Jan–Dec 2013	±%	±% like-for-like
Sales of cement	million t	24.6	25.0	-1.5	-1.5 ¹
Sales of aggregates	million t	7.5	10.2	-26.4	-26.4
Sales of ready-mix concrete	million m ³	6.4	8.0	-20.0	-20.0
Net sales	million CHF	3,012	3,349	-10.0	+0.6
Operating profit	million CHF	663	722	-8.2	-1.1

¹ The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to -1.0%.

Fourth quarter 2014		Oct-Dec 2014	Oct-Dec 2013	±%	±% like-for-like
Sales of cement	million t	6.2	6.3	-1.9	-1.9 ¹
Sales of aggregates	million t	1.5	2.2	-31.1	-31.1
Sales of ready-mix concrete	million m ³	1.5	1.8	-13.4	-13.4
Net sales	million CHF	770	793	-2.9	+1.5
Operating profit	million CHF	174	147	+18.1	+19.1

¹ The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to -1.4%.

Europe remains at low level despite good start into the year

Full year 2014		Jan–Dec 2014	Jan–Dec 2013	±%	±% like-for-like
Sales of cement	million t	26.4	26.7	–1.0	–1.0
Sales of aggregates	million t	73.1	74.1	–1.4	–1.0
Sales of ready-mix concrete	million m ³	11.9	12.3	–3.0	–2.5
Sales of asphalt	million t	5.6	4.9	+14.5	+15.3
Net sales	million CHF	5,554	5,611	–1.0	+0.2
Operating profit	million CHF	510	436	+16.8	+16.1

Fourth quarter 2014		Oct-Dec 2014	Oct-Dec 2013	±%	±% like-for-like
Sales of cement	million t	6.2	6.4	–4.2	–4.2
Sales of aggregates	million t	19.0	19.0	+0.4	+0.4
Sales of ready-mix concrete	million m ³	2.9	3.3	–11.7	–12.1
Sales of asphalt	million t	1.4	1.3	+6.9	+6.9
Net sales	million CHF	1,303	1,367	–4.7	–3.6
Operating profit	million CHF	113	121	–6.5	+8.6

North America: Good performance in the United States drives Group region's results

Full year 2014		Jan–Dec 2014	Jan–Dec 2013	±%	±% like-for-like
Sales of cement	million t	13.0	11.7	+11.4	+11.4
Sales of aggregates	million t	45.7	42.8	+6.8	+7.7
Sales of ready-mix concrete	million m ³	7.2	7.5	–4.1	+2.2
Sales of asphalt	million t	4.5	4.1	+9.9	+9.9
Net sales	million CHF	3,336	3,171	+5.2	+10.7
Operating profit	million CHF	314	199	+58.3	+65.1

Fourth quarter 2014		Oct-Dec 2014	Oct-Dec 2013	±%	±% like-for-like
Sales of cement	million t	3.4	3.0	+14.6	+14.6
Sales of aggregates	million t	12.2	11.7	+4.9	+5.8
Sales of ready-mix concrete	million m ³	1.7	1.8	–4.4	+1.2
Sales of asphalt	million t	1.2	1.3	–1.5	–1.5
Net sales	million CHF	958	828	+15.7	+14.4
Operating profit	million CHF	99	52	+90.0	+88.8

Africa Middle East with subdued growth

Full year 2014		Jan-Dec 2014	Jan-Dec 2013	±%	±%
					like-for-like
Sales of cement	million t	8.3	7.9	+5.4	+6.2
Sales of aggregates	million t	2.0	2.2	-8.7	-8.7
Sales of ready-mix concrete	million m ³	0.7	0.8	-15.0	-15.0
Net sales	million CHF	861	884	-2.6	+0.8
Operating profit	million CHF	220	216	+1.6	+5.8

Fourth quarter 2014		Oct-Dec 2014	Oct-Dec 2013	±%	±%
					like-for-like
Sales of cement	million t	2.0	2.0	-0.8	-0.8
Sales of aggregates	million t	0.4	0.5	-9.9	-9.9
Sales of ready-mix concrete	million m ³	0.1	0.2	-25.6	-25.6
Net sales	million CHF	207	218	-5.4	-6.5
Operating profit	million CHF	49	54	-10.1	-10.5

Additional information such as the Annual Report 2014 including detailed information on the Group regions, is available at www.holcim.com/results

Holcim is one of the world's leading suppliers of cement and aggregates (crushed stone, gravel and sand) as well as further activities such as ready-mix concrete and asphalt including services. The Group holds majority and minority interests in around 70 countries on all continents.

This media release is also available in German at www.holcim.com/news.

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Key figures Group Holcim

		2014	2013	±%	±% like-for-like
Annual cement production capacity	million t	211.4	206.2	+2.5	+2.5
Sales of cement	million t	140.3	138.9	+1.0	+1.4
Sales of mineral components	million t	4.3	4.1	+5.5	+8.4
Sales of aggregates	million t	153.1	154.5	-0.9	-0.4
Sales of ready-mix concrete	million m ³	37.0	39.5	-6.3	-4.9
Sales of asphalt	million t	10.0	8.9	+12.4	+12.8
Net sales	million CHF	19,110	19,719	-3.1	+3.0
Operating EBITDA	million CHF	3,747	3,896	-3.8	+2.0
Operating EBITDA adjusted ¹	million CHF	3,885	3,896	-0.3	+5.5
Operating EBITDA margin	%	19.6	19.8		
Operating EBITDA margin adjusted ¹	%	20.3	19.8		
Operating profit	million CHF	2,317	2,357	-1.7	+4.2
Operating profit adjusted ¹	million CHF	2,466	2,357	+4.6	+10.6
Operating profit margin	%	12.1	12.0		
Operating profit margin adjusted ¹	%	12.9	12.0		
EBITDA	million CHF	4,156	4,332	-4.1	
Net income	million CHF	1,619	1,596	+1.5	
Net income margin	%	8.5	8.1		
Net income – shareholders of Holcim Ltd	million CHF	1,287	1,272	+1.2	
Cash flow from operating activities	million CHF	2,498	2,787	-10.3	-6.4
Cash flow margin	%	13.1	14.1		
Net financial debt	million CHF	9,644	9,461	+1.9	-1.2
Funds from operations ² /net financial debt	%	31.7	33.4		
Total shareholders' equity	million CHF	20,112	18,677	+7.7	
Personnel		67,584	70,857	-4.6	-4.4
Earnings per share	CHF	3.95	3.91	+1.0	
Fully diluted earnings per share	CHF	3.95	3.91	+1.0	
Payout	million CHF	425 ³	424	+0.2	
Payout per share	CHF	1.30	1.30	+0.0	

Key figures Group Holcim

		2014	2013	±%	±%
					like-for-like
Principal key figures in USD (illustrative)					
Net sales	million USD	20,874	21,276	-1.9	
Operating EBITDA	million USD	4,093	4,203	-2.6	
Operating EBITDA adjusted ¹	million USD	4,244	4,203	+1.0	
Operating profit	million USD	2,531	2,543	-0.5	
Operating profit adjusted ¹	million USD	2,693	2,543	+5.9	
Net income – shareholders of Holcim Ltd	million USD	1,406	1,373	+2.4	
Cash flow from operating activities	million USD	2,729	3,007	-9.2	
Net financial debt	million USD	9,750	10,634	-8.3	
Total shareholders' equity	million USD	20,334	20,992	-3.1	
Earnings per share	USD	4.31	4.22	+2.3	

Principal key figures in EUR (illustrative)

Net sales	million EUR	15,734	16,022	-1.8	
Operating EBITDA	million EUR	3,085	3,165	-2.5	
Operating EBITDA adjusted ¹	million EUR	3,199	3,165	+1.0	
Operating profit	million EUR	1,908	1,915	-0.4	
Operating profit adjusted ¹	million EUR	2,030	1,915	+6.0	
Net income – shareholders of Holcim Ltd	million EUR	1,060	1,034	+2.5	
Cash flow from operating activities	million EUR	2,057	2,264	-9.2	
Net financial debt	million EUR	8,018	7,717	+3.9	
Total shareholders' equity	million EUR	16,723	15,235	+9.8	
Earnings per share	EUR	3.25	3.18	+2.4	

¹ Excluding merger and restructuring costs in 2014

² Net income plus depreciation, amortization and impairment.

³ Proposed by the Board of Directors for a maximum payout of CHF 425 million from capital contribution reserves.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided.

All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.